Education H? 14 **(1948) Department**

SERIES.

G.O. No. 2996 Education

Dated 29.11.1948

[Despatch Abstract.]

[illegible] - Planning etc. - Aided educational institutions [illegible] - Revised Rules - recorded.

Secretary E.&.P.H.

When we were considering the Part II Schemes ~~of~~ for 1948-49, the then Finance Secretary, Dr. Godwell suggested that certain grants which we are liable to pay under the rules as under the Grant-in-Aid Code need not be brought in every year as part II proposals but that they may be included in the Part I of the Budget proposals as these are our normal commitments and we have to pay them in any case. This is different from either pay or do not pay according to financial circumstances.

The grants that we pay as teaching grants according to rules are of the following varieties:-

1. Teaching grants to elementary schools.
2. -do- to High schools
3. -do- to Colleges
4. ~~Teaching~~ Teaching grants to night schools and rural colleges under the Adult Education scheme.

I think we may accept the suggestion of Dr. Godwell and include them in Part I of the Budget itself instead of bringing it for consideration in Part 11 schemes. This may be examined and put up.

T.S.A
6-8-48
H.M. Education.

E. & P.H. (C1).

The suggestion referred to above does not appear to have been recorded anywhere. Perhaps it ~~is~~ is a oral suggestion made at some meeting of the S.F.C. The position in respect of the various types of schools is as follows:-

(1) Elementary schools:- The teaching grant payable to aided elementary schools, is even now provided for in the part I Budget.

(2) (a) Secondary schools under local bodies:-

Secondary schools under the control of local bodies ~~op~~ opened prior to 1930 were in receipt of fixed lump sum subsidies and this system was abolished as from 1-1-1947. From 1.1.47 the system of payment of teaching grants on the basis of one-half of the approved net cost of maintenance of the institutions in the preceding financial year was introduced. The teaching grant payable to the existing schools is even now provided for in the Part I budget - Grants to schools newly recognised is treated as a Part II Scheme.

(b) Secondary schools under private managements:-

The teaching grant payable to secondary schools under private management is even now provided for in the Part I Budget. Only in the case of schools which have to be newly recognised and opened during a year and which are recommended for aid are considered as part II Scheme for the ensuing year. The object in treating them as Part II Schemes seems to be to restrict the schools to be newly admitted to aid, in case, the Provincial finances do not permit the undertaking of additional financial liability over and above the existing commitment. If finance agree, this Department, may agree to provision for teaching grant to such schools being made under Part I.

(3) Aided Colleges:- The position is the same as for aided secondary schools.

(4) Night schools and rural colleges opened under adult education scheme introduced this year will be eligible for grants in future years also and the provision required for

the purpose will be included in the Part I of the estimates for the Budget. The question of providing funds as Part II schemes will arise only if the scheme of Adult Education is extended and more schools are to be opened.

(5) Non-Government special schools:-The teaching grant payable in respect of newly opened schools is provided for in Part II of the budget.

Perhaps the Director of Public Instruction may see this U.O. First.

U.O:Reply No.648-A1/48 dated 29th September 1948.

Resubmitted.

2. I agree that provision for the payment of teaching grants for all educational institutions may be made in Part I of the Budget.

sd. . .
D.P.I.
29-9-48

To
the Secretary to Government,
Education & P.H. Department

Education and Public Health

The remarks of Finance maybe invited.

Finance (B.G.) Dept.

Please see the minute of H.M (Edn.) on p.1 above and the notes on pp.1-3 above.

2. Provision is made in Part I Estimates for expenditure required for the normal working of the various Departments of the Government with reference to the existing sanctions - See paragraph 15 of the Madras Budget Manual. It will be seem from the note of E.&P.H. on pp.1-2 above ~~that~~ that teaching grants payable to the existing schools are included in Part I of the Estimates. Grants for these schools would have been sanctioned already, after the proposals had been treated as Part II Schemes in a previous year. Under paragraph 52 of the Madras Budget Manual, proposals for increased provision for the expansion of the existing services, e.g. grants-in-aid toschools newly admitted to aid or increased grants-inaid due to the opening of higher forms in existing schools should be treated as Part II schemes. The object of this distincion is that was payment of grants-inaid to new extension and for extensions to be the existing institutions involves new commitments, the question of provision of funds for such schemes should be examined with reference to the budgetary position and the relative urgency and importance of other similar schemes.

The E.&.P.H.Department have stated that teaching grant pay toaided elementaryschools iseven nowprovided for in Part I of the Budget - see 'Z' onpp.1-2 above. It is not clear what exactly~~this~~ this is intended to mean. Provisionis made inPart for teaching grants for existing elementary schools (and also for additionalteachers in existing schools with reference to increase in strength) as in thecase of grants for Secondary schools,Colleges etc. Proposals for opening certain new Covernment elementary schools in the Agency tracts were treated as Part II Schemes -cf. items 46 and 83 of the list of Part II schemes appended to the Budget Memorandum for 1948-9. It does not appear that a different procedure is foblowed for new elementary schools opened by local bodies or private managements. Provisionfor extensionofcompulsory elementary educatior to new areas was included in Part II of the Budget each year.

3. There is norecord in the Finance Department toshow that Dr. Dodwell expressed views onthelines indicated in the minute of H.M.(Edn.) on p.1 above. The views are not in accordance with the rules inthe Budget procedure or the existing procedure referredto in para 2 above. It does not seem advisable to make any change in the existing rules or procedure, so as to provide in Part I for allteaching grants including grants for new schools or opening higher forms,new courses etc. in existing schools. Such a procedure will result in increase in the Government's recurring commitments without any limit, a situation which it is essential to avoide especiallyunder present conditions, when the Government of India want us to balance the budget withou recourse to the Revenue Reserve Fund. The fact that certain new institutions or new sections of existing institutions are "eligible" for teaching grants under Grants-~~in~~-aid Code cannot commit the Government to provide funds for such grants in a particular year. The position is similar to inclusion of building schemesof educatonal or medical institutions or water supply and drainage schemes in ~~the~~ an 'approved' list. The inclusion of a scheme in such an approved list does not carry with it a guarantee regarding payment of grant in any particular year. In some of these cases, the local body or private institution incurs the expenditure in advance, and waits for the grant until the Govt. are in a position to provide funds for the purpose. The position in regard to teaching grants for the opening of new schools or new sections in existing schools is not different from that stated at "X" on pp.4-5 above. If a local body or a private institution opens a new school or a higher form or a new course in an existing school or college, it will have to do so on its own responsibility, and thegrant or recognition by the D.P.I. to such an institution or section or course cannot be deemed to carry with it a guarantee regardig grant from Provincial funds. Loal bodies and private educatinal institutions know this position and cannot complain of any unexpected difficulty arising out of it, as the procedure has been in vogue for years. It will not be correct or advisable to include provision for such grants in Part I of the Budget. Relaxation of the prescribed budgetary procedure in this case may give rise to requests for similar relaxation from other Departments, e.g. increase in the number of beds in a hospital which recieves a maintenance grant from the Government will involve a recurring liability. It may be argued that as we have already agreed in principle to a half grant towards the cost of maintenance, the Governmqt shouls provide funds for additional grants for increases in the number of beds in Part I, treating them as standingsanctions.

Another point to be mentioned is that provision of funds in Part I for <u>teaching</u> grants for a new educational institut or a newsection or course in an existing institution may indirectly commit Government to grants for <u>buildings and equipment</u>. The opening of a Science course in a college or school will involve not only an increase in the teaching grant, but special non-recurring grants for buildings and

equipment. Once funds are provided in Part I for teaching grants as standing sanctions, the Government will have to ~~rp~~ provide also funds for Building and equipment grants. for the new courses. The resulting liability to the Government. will be very large. On the other hand, if grants for such new purposes are included in Part II of the Budget, the Government will have an opportunity to consider at the time of passing final orders on the Budget, the relative urgency and importance of the several new schemes proposed, and decide as to which of them should be provided for in the ensuing year's budget with reference to the total funds available for new schemes.

In view of the consideration set forth above, Finance vise that no change need be made in the existing procedure ~~for~~ for budgeting for schemes relating to teaching grants for opening new educational instituions of for opening new sections in existing institutions.

In this matter a clear distinction should be drawn ~~be~~ between teaching grants for existing schools on the basis of their existing level of activities and grants which will be a new commitment to Government either by way of the opening of new schools or the opening of new forms etc. by existing schools. Grants of the former kind are even now included in Part I of the budget and it is only proposals involving grants of the second kind that have to be treated as Part II sch emes. Part II estimates are defined to be "estimates of the cost of schemes involving new expenditure or abandment of existing revenue" and all schemes involving new expenditure have to be treated as Part II schemes. It makes no ~~diffener~~ difference that in a particular case the new expenditure may be on a prescribed scale. There will be no meaning in Government ~~xx~~ framing a budget at all if they cannot decide to what extent thay would undertake new commitments ~~wi~~ in the comming year with reference to the over-all financial position and the Government must obviously have an opportunity of deciding how many new schools should be given grants in the comming year. Theorctically it is open to them to Secretary at any time that they cannot allowed to spend more by any of grants than what they are already spending and that new schools should not be opened or if opened they should do without Government grants. When once teachi grants to certain educationain institutions are considered as Part II and provision is ultimately made for them in the budget of a particular year, the items authmatically become Part I for succeding years and some kind of scrutiny cannot therefore be dispensed with in the year in which the grants first become an addition to our commitments.

H.M. (Edn.) mentioned the matter to me some time ago and I have personally explained the above position to him.

xx xx T.N.S.R
11-11-48

Education and Public Health Dept.

Finance do not want any change in the existing procedure. Their views may be accepted.

Secretary, Finance says that he has already explained the position to H.M. (Edn.) in person -- vide 'A' overlaf. No further

action appears to be necessary. The papers may be recorded for future reference after perusal by H.M.

xx xx	B.M.	M.V.S.	
18-11-48	19-11-48	21.11.48	H.M(Edn.) 29-11-48

G.O.Ms.No.2996 Edn., dated 29-11-1948.

Grants -- Teaching etc., -- Aided Educational

Institutions -- Provision in Part I Estimates
~~---Notes recorded.~~
-- Notes recorded.

True Copy

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